



**DEPARTMENT OF THE NAVY**

ENGINEERING FIELD ACTIVITY, NORTHEAST  
NAVAL FACILITIES ENGINEERING COMMAND  
10 INDUSTRIAL HIGHWAY  
MAIL STOP, #82  
LESTER, PA 19113-2090

IN REPLY REFER TO

11011  
Code NE RE/SZ  
07 May 2003

**VIA FEDERAL EXPRESS**

Rhode Island Economic Development Corporation  
c/o Mr. Robert I. Stolzman, Esq.  
Adler, Pollock and Sheehan  
2300 Financial Plaza  
Providence, Rhode Island 02903

Dear Mr. Stolzman:

This correspondence refers to the State of Rhode Island's interest in acquiring the Melville Marina property at Naval Station Newport as authorized under Public Law 107-314 §2834. In accordance with the legislation, the State is responsible for reimbursement of the costs incurred by the Navy in carrying out the conveyance. These costs include labor and contract expenses associated with real estate and environmental actions required to satisfy applicable laws and regulations.

We have determined the cost to carry out the conveyance to be \$205,414.00. As you have provided funds in the amount of \$22,414.00 to cover the costs for the Environmental Baseline Survey contract, the amount required is \$183,000.00. Enclosed is a summary of the estimated conveyance costs.

Please be advised, the estimate only covers the costs associated with carrying out the conveyance, and does not include the payment of fair market value for the property as required under the public law.

Please note, the enclosure does not include a cost to perform any type of utility study. The water and sewer for the parcel being conveyed are to be severed from the Navy's system. As previously discussed, we will work with you to explore alternate options.


The Navy will furnish copies of the environmental reports generated, when available, including the Environmental Baseline Survey and Environmental Assessment. However, the appraisal will be solely for use by the Navy. Therefore, the appraisal, appraisal report, appraisal analysis, or any information contained therein will not be released to RIEDC or to any party outside the Navy.

We have only provided an estimate of the conveyance costs. Please be aware, in the event the Navy's actual expenses exceed the amount provided, additional funding will be required prior to proceeding with the work. Additionally, in the event the property is not conveyed to the State of Rhode Island, any funds that have been expended by the Government will not be returned. Prior to conveyance of the property, the account will be reconciled and any remaining funds will be returned to RIEDC.

If the above terms are satisfactory to you, please sign below and return this letter, along with a check payable to the U.S. Treasurer in the amount of \$183,000.00, to Commander Naval Region Northeast, Attention: David Alexander CNRNE N46, Box 101, Naval Submarine Base New London, Groton, CT 06349-5101. I've provided a signed duplicate original of this letter for your records.

Upon receipt of this signed letter and the requested funds, the Government will initiate the actions required for conveyance of the property. Should you have any questions, please contact Ms. Stephanie Zamorski at (610) 595-0772.

Sincerely,

  
GREGORY C. PRESTON  
Realty Officer  
Real Estate Contracting Officer

I fully understand and agree to the terms stated herein.

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

By: \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Title

Enclosure: 1. Estimated Conveyance Costs

Copy to:

Mr. Keith Stokes, RIEDC

Mr. David Alexander, CNRNE

## ESTIMATED CONVEYANCE COSTS MELVILLE MARINA PROPERTY

<u>Required Action/Service</u>	<u>Cost</u>
<b>1. Real Estate and Counsel Efforts:</b>	
– Labor/In-house Support for Real Estate Specialist and Contracting Officer	\$25,000
– Labor for Legal Counsel	\$10,000
– Appraisal:	
– Labor/In-house Support for EFANE Appraiser including preparation of scope of work, contracting for appraisal services and review/approval of appraisal report.	\$5,000
– Contract (Refer to Attachment for description) <u>Note:</u> The appraisal is solely for use by the Navy. Therefore, the appraisal, appraisal report, appraisal analysis, or any information contained therein will not be released to RIEDC or any party outside the Navy.	\$8,000
<b>2. Environmental Efforts:</b>	
– Labor/In-house Support for Environmental Baseline Survey (EBS) and Finding of Suitability to Transfer (FOST)	\$15,000
– Contract for EBS (Refer to Attachment for description) [Funds in the amount of \$22,414 were provided by RIEDC on 28 Apr 03]	\$22,414
<b>3. National Environmental Policy Act (NEPA) Compliance:</b>	
– Labor/In-house Support	\$20,000
– Contract for NEPA Document: EA/FONSI (Refer to Attachment for description)	\$75,000

**4. National Historic Preservation Act (NHPA) Compliance:**

- Labor/In-house Support: \$25,000  
Current in-house cultural resource requirements are identified as SHPO consultation and either completing a moderately complex NHPA 106 action for transfer; or initiating NHPA 106, then scoping an architectural or archaeological effort.
- Contract costs and final in-house estimates are not immediately available, as NHPA 106 consultation must first be initiated. Navy will notify RIEDC as soon as additional funding requirements are identified.

- 5. Survey:** As agreed, RIEDC will be responsible for the preparation of a survey of the property and all associated costs; therefore, survey costs are not included in this cost estimate.

**TOTAL ESTIMATED CONVEYANCE COSTS      \$205,414.00**

## **APPRAISAL – MELVILLE MARINA**

### **Background:**

- Navy requires one real estate appraisal to be performed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) as published by the Appraisal Standards Board of the Appraisal Foundation. These are the standards that guide the appraiser in preparing the report.
- The minimum professional requirement for the appraiser is that they be a state Certified General Appraiser in the state in which the property to be appraised is located (or the equivalency). The Navy strives to find the best-qualified appraiser for the type of property being appraised and for the area in which the property is located.
- Navy will prepare a Scope of Work, contract for appraisal services, and review the final report.
- The Scope of Work will provide sufficient guidance to the appraiser to allow the preparation of an acceptable work product while not influencing the appraiser in any way.
- The contracting process involves obtaining multiple proposals from the most qualified appraisers in the area.
- The proposal deemed most advantageous to the Government is selected by a board and a contract is entered into. We take into consideration each appraiser's experience appraising properties similar to the subject property, the time required by each appraiser to complete the assignment and the fee required by the appraiser.
- After the appraiser has formed their opinion of highest and best use and gathered the appropriate comparable data, a meeting may be held with the Navy technical representative for the purpose of reviewing the work progress of the appraisal, prior to submission of the final work product.
- When the appraisal is completed and submitted to the Navy, the report will be reviewed by EFANE appraisers for compliance with USPAP, factual errors, reasonableness and logic behind the support for the value conclusion reached by the appraiser.

### **Appraisal Process:**

The appraiser(s) will physically inspect the subject property. They will gather and/or review all available information about the property pertinent to the valuation. They will gather information about the region, area, and neighborhood that would have influence real estate values.

The appraiser(s) will examine all uses to which the subject property can be put, keeping in mind that the use must be physically possible, legally permissible, financially feasible and maximally productive, to determine the highest and best use of the subject property.

After determining the highest and best use of the subject, the appraiser will develop, to the extent practical, the three traditional approaches to value, the cost approach, the sales comparison approach and the income approach.

Contract has not been negotiated yet. Estimated cost is \$8,000.

# **ENVIRONMENTAL BASELINE SURVEY (EBS) – MELVILLE MARINA**

## **Background**

The purpose of the Environmental Baseline Survey (EBS), that will be conducted, is to collect and evaluate available data pertaining to potential storage, release, treatment, or disposal of hazardous substances or petroleum products at the Marina area. The findings of the EBS will be used to determine whether the property is suitable for transfer. The survey process includes a document review, a site inspection covering the buildings and land, as well as, interviews with site personnel ( Environmental, Public Works, Adjacent property owners).

## **What to expect when the EBS Process starts:**

Engineers and staff from Malcolm Pirnie Inc. (MP) who has been contracted by EFANE NAVFACENGCOM to perform the EBS, and will conduct work at the site. It is expected that the site investigations will be conducted over a one-week period in which some assistance and involvement will be required of the activities environmental staff. Below are the three main areas and the expected involvement required by personnel.

**Record Search** (i.e., Title search; aerial photograph review; environmental reports, records, audits, and inspections)

During this portion of the process the MP staff will be reviewing available records and documentation that relate to the environmental condition of the property. This will involve review of available documentation, such as, Asbestos reports, Lead Base Paint studies, Underground storage tanks, and Radon.

## **Visual Inspection of property and adjacent property/roadways**

MP staff will be conducting visual inspection of the site. This will include an inspection covering the buildings and land.

## **Interviews of current and former employees, Federal, state and local government officials, and adjacent property owners**

In this part of the process interviews are conducted with personnel and base staff that would have the best historical knowledge concerning the property.

Once the site work is complete a draft and final report documenting the environmental condition of the property is prepared. This document is used to support the requirements of due diligence required under CERCLA 120h.

The negotiated contract cost is: \$22,414.00

## **POCs:**

Malcolm Pirnie: John Logigian 914-641-2690

EFANE: Jim Mills 610-595-0567 x136

## **ENVIRONMENTAL ASSESSMENT (EA) – MELVILLE MARINA**

### **Background**

The EA will provide the required environmental documentation in accordance with the National Environmental Policy Act (NEPA) of 1969; the Council on Environmental Quality regulations implementing NEPA (40 Code of Federal Regulations 1500-1508); and Chief of Naval Operations Instruction 5090.1B, CH-2, 9 Sept, 1999 Environmental and Natural Resource Program Manual. Section 2 of the EA presents the purpose and need for the Melville Marina transfer and describes the proposed action to be evaluated. Section 3 on the EA describes the alternatives to the proposed action that will be analyzed in the EA and identifies operational and environmental criteria that will be used to evaluate and compare the alternatives. Section 4 of the EA will assess and disclose the known and potential environmental consequences, both beneficial and adverse, for the proposed transfer actions. The EA process includes review of related documents, drawings and other information; site inspections, and interviews.

### **What to expect when the EA Process starts:**

Planners and staff from the Environmental Company (TEC), contracted by EFANE NAVFACENGCOM, will produce the EA. They will perform the site investigation over a two-week period and involve the Naval Station Newport personnel and environmental staff. The main study components include:

**Field work** (environmental records, audits, map photo reviews, other research)

This portion of the study will involve TEC staff reviewing available environmental documentation, maps and drawings and photos related to the Melville Marina site. Research will include visits to area environmental agencies to review their regulations.

### **Inspection of Melville Marina property and adjacent properties**

TEC will conduct on-site investigations to review both natural and man-made environmental conditions. They will review biological communities, endangered or threatened species, coastal zone consistency, air and water quality issues, wetlands, vegetation and other area as appropriate. They will also review land use, traffic, noise, visual impacts, cultural resources and other areas as appropriate.

### **Interviews**

TEC will interview current and former employees, federal, state and local agencies and adjacent property owners.

Once the record research, site investigations and interviews are completed, a draft will be prepared for comment. Once comments are incorporated, a final EA will be delivered.

The contract has not been negotiated as yet. Estimated cost is \$75,000.

POC – Thomas H. Stephan, EFANE NAVFAC, 610-595-0567 (x169)